

Official Notice

Department Of Commerce Minnesota Consumer Credit Code and Regulated Loan Act Adjustment of Dollar Amounts

Dollar amounts indexed in the Regulated Loan Act, *Minnesota Statutes*, Chapter 56, and the Minnesota Consumer Credit Code, *Minnesota Statutes*, Section 47.59, will increase effective July 1, 2020. *Minnesota Statutes*, Sections 47.59, subdivision 3(i), and 56.131, subdivision 4, provide for periodic adjustment in dollar amounts, effective on July 1 of even-numbered years, based on a percentage change in the Implicit Price Deflator for the Gross Domestic Product.

Statute establishes that the percentage change in the reference base index be 10% or more in order to adjust the dollar amounts. The portion of the percentage change in the index in excess of a multiple of ten percent is to be disregarded, and the dollar amounts shall change only in multiples of ten percent. Information provided by the U.S. Department of Commerce, Bureau of Economic Analysis indicates a percentage change from the revised reference base to be 10% calculated to the nearest whole percentage point as required. The index for December 2011 is the reference base index for adjustments. The index was revised nationally to 2009 = 100. The index was again revised nationally to 2012=100. The rebased index for December 2011 is 98.703, increasing to 113.040 in December 2019, for a change of 15%.

The history of dollar amounts at various dates is available by reviewing prior official notices, or within the Commerce Department's website www.mn.gov/commerce. The original and current dollar amounts are as follows:

		7-1-2020
Statutory Citation	Original	10% Increase
Chapter 47	\$750	\$1,275
Principal subject to 33% interest		
<i>Minnesota Statutes</i> , § 47.59, subd. 3(a)(2)		
Minimum refund	\$5.00	\$8.50
<i>Minnesota Statutes</i> , § 47.59, subd. 3(e) and (f)		
Default charges	\$5.20	\$8.84
<i>Minnesota Statutes</i> , § 47.59, subd. 6(a)(4)		
Loan Administration Fee	\$4,320	\$7,344
<i>Minnesota Statutes</i> , § 47.59, subd. 6(d)		

Chapter 56 Assumption fee <i>Minnesota Statutes, § 56.12</i>	\$240	\$408
Minimum real estate secured loan <i>Minnesota Statutes, §§ 56.12 and 56.125</i>	\$4,320	\$7,344
Maximum closing costs on real estate secured loans <i>Minnesota Statutes, § 56.131, subd. 2(b)</i>	\$400	\$680
Minimum new funds advance for discount points and appraisal fees <i>Minnesota Statutes, § 56.131, subd. 2(d)</i>	\$1,000	\$1,700
Minimum real estate secured loan for discount points <i>Minnesota Statutes, § 56.131, subd. 6</i>	\$12,000	\$20,400

The next published adjustment is scheduled on or before April 30, 2022, for July 1, 2022, based on the December 2021 index.